United States
Department of
Agriculture

Economic
Research
Service

DS-386

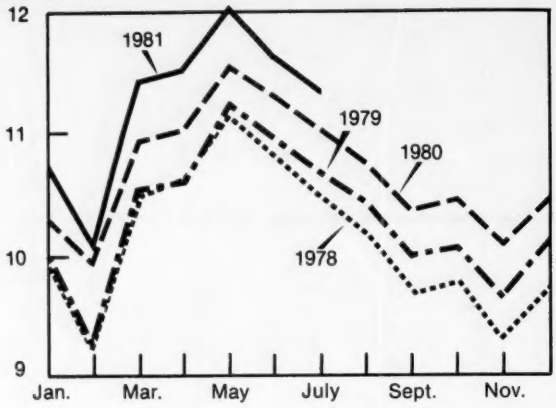
September 1981

Dairy

OUTLOOK & SITUATION

U.S. Milk Production by Months

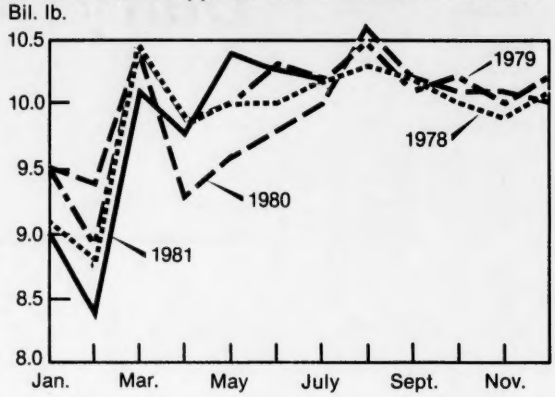
Bil. lb.



Neg. ERS 5498-81(9)

Commercial Disappearance of Milk in All Products*

Bil. lb.



*Milk equivalent.

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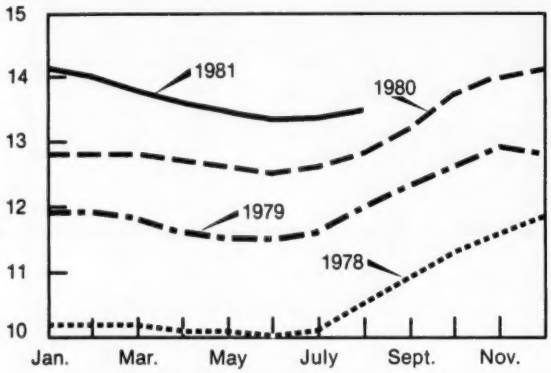
Milk Prices*

$ cwt.



*U.S. average price received by farmers for deliveries to plants and dealers.

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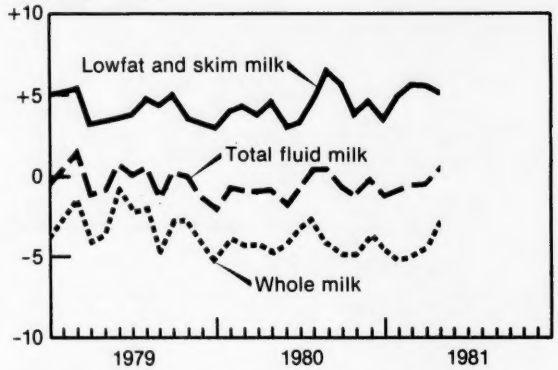
Neg. ERS 5449-81(9)

Daily Average Sales of Fluid Milk Items

% change*



*From year earlier. Adjusted for calendar composition.

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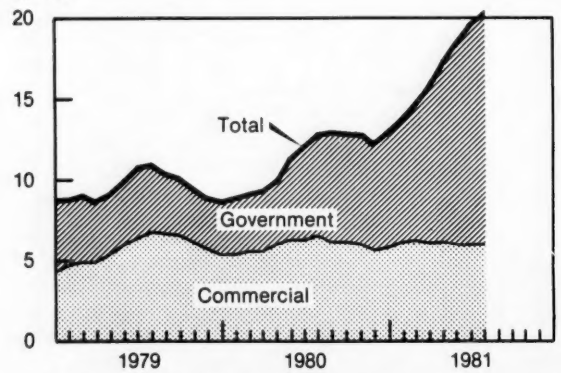
Neg. ERS 2705-81(9)

Dairy Products Stocks°

Bil. lb.*



*As of first of month. *Milk equivalent, fat-solids basis.

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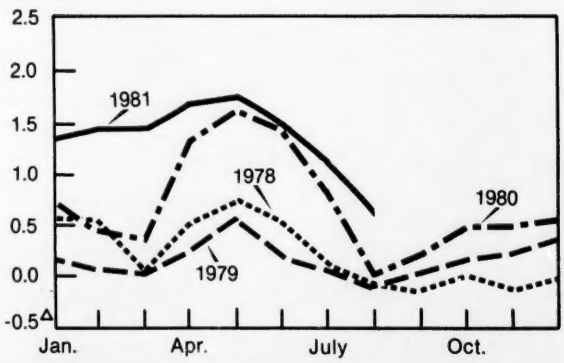
Neg. ERS 8448-81(9)

USDA Dairy Product Purchases*

Bil. lb.



*Net removals, milk equivalent, fat-solids basis.
ΔNegative figures denote domestic sales exceeded purchases.

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The *Dairy Situation* will be published in December 1981.

Summary

Milk production will continue above a year ago through the rest of this year, even if the support level is not raised on October 1. Commercial use, while strong during the second quarter, may improve only slightly during the rest of 1981. Wholesale prices for dairy products will likely remain fairly stable in coming months. However, if supports are raised on October 1, prices would likely rise. Gains in farm pries for milk have slowed appreciably this year, and for all of 1981, farm prices are expected to average 6 to 7 percent above 1980. Retail milk prices may average about 8 percent higher.

Milk cow numbers on farms on July 1 were up 23,000 from January 1—88,000 (0.8 percent) more than a year earlier and 192,000 (1.8 percent) higher than 2 years ago. Replacements (500 pounds and over) totaled 4.6 million head on July 1, up 260,000 (5.6 percent) from a year earlier. The July 1 ratio of replacements per 100 milk cows was 42.6—the largest on record. The dairy herd will likely be above 1980 at yearend.

Total U.S. milk production during January-August was 3.3 percent greater than a year earlier. August production was up 2.6 percent, marking the 28th straight month that output exceeded year-ago levels. This now equals the previous record-long expansion phase, which ran from October 1975 to January 1978.

However, production increases have been slowing since April. While milk cow numbers during April-August averaged about 0.8 percent above a year earlier, the gains in output per cow slowed from 4 percent in April to 1.9 percent in August. This slowing was associated with no increase in concentrate feeding from 1980 to 1981.

With large feed crops this fall and the resulting lower cost of dairy concentrate, gains in feeding will likely occur. As a result, gains in output per cow are likely to increase later this year. On balance, milk production gains can be expected for the rest of this year, with total 1981 output likely to be up about 3 percent from the 128.4 billion pounds (58.2 million metric tons) in 1980.

Farm prices declined seasonally from January to July, but then increased in August, reflecting the normal seasonal pattern of the butterfat test. (The test falls from January to July, then increases until December.) In August, the price of manufacturing-grade milk averaged $12.50 per cwt, 70 cents (6 percent) higher than a year

ago but 50 cents below January. However, after adjusting for the butterfat test, the Grade B price was nearly unchanged from January and was 33 cents below the established support price of $13.10 per cwt for milk testing 3.67 percent fat. (The support level is $12.80 at a test of 3.5 percent.)

Farm prices for all milk in August averaged $13.50 per cwt, 60 cents below January. The price averaged 5.5 percent (70 cents) higher than a year ago, compared with a year-over year gain of 10.2 percent ($1.30) in January. With production expected to remain large relative to use for the rest of the year, and if the support level remains unchanged, only a small seasonal increase in prices can be expected this fall, leaving the 1981 average price for all milk up about 6 percent. However, if the support price is raised to 75 percent of parity on October 1, the price for all milk could average 7 percent higher for the year. Coupled with increased marketing, cash receipts for the sale of milk and cream will likely be up 8 to 11 percent for 1981.

Prices for dairy products in the major wholesale markets have remained nearly unchanged since last fall. This price stability reflects continuing surplus production and no price-support adjustment on April 1. Gains in retail prices should be relatively small this fall. For the year, retail prices are forecast to average about 8 percent higher.

During January-July, manufactured dairy products, on a milk-equivalent fat-solids basis, used about 2.6 billion pounds (1.2 million metric tons) more milk than a year earlier. Butter production during the first 8 months was up nearly 7 percent, while American cheese rose over 10 percent.

Commercial disappearance of dairy products during April-June increased sharply—6.2 percent from 1980's weak second quarter. When adding first-quarter use (down 5 percent) and the preliminary July data, commercial disappearance for the first 7 months was about even with a year earlier. Commercial use of milk and dairy products on a milk-equivalent basis may increase some during the rest of the year, partly resulting from the expected small gains in retail prices of dairy products. Therefore, use for the year should be up about 1 percent.

August 1 commercial holdings of dairy products, milk-equivalent fat-solids basis, declined some from February—3.7 percent. The commercial stock buildup that normally occurs during February-June did not take place this year because of ample milk production and high interest rates. Government holdings of dairy products, milk-equivalent basis, totaled more than 14 billion pounds (6.4 million metric tons) on August 1, an increase of 123 percent from a year ago. Net purchases by the Commodity Credit Corporation (CCC) during January-August were equivalent to 10.8 billion pounds (4.9 million metric tons) of milk, up more than 50 percent from last year.

Dairy Situation

PRODUCTION

Expansion Continues—But At Slowing Rate

Total U.S. milk production during January-August, was 3.3 percent greater than during the same period in 1980. Production in the 5 major milk-producing States during the first 8 months was up substantially in Minnesota (6.6 percent), Pennsylvania (5.1 percent), and California (5.0 percent), and up modestly in Wisconsin (2.4 percent) and New York (2.0 percent). The gain of these 5 States accounted for more than half of the total U.S. expansion in production.

Milk production in August was 2.6 percent above a year ago and was the 28th straight month of a year-*over-year increase. This now equals the previous record-*long expansion phase, which occurred from October 1975 to January 1978.

Of the 33 reporting States, only 4 had August milk production below year-ago levels. All farm production *regions but 1 reported increased August-to-August out-*put. The Mountain (up 9.7 percent) and the Pacific (up 4 *percent) region led the way, while production in the* Southern Plains was down 4 percent.

Although milk production is still increasing, the rate of gain has been slowing since April. While milk cow *numbers during April-August remained about 0.8 percent* above a year ago, the gain in output per cow slowed from *a 41-pound increase in April to 30 in May, 21 in June,* and 19 in July and August. This sharp abatement in the rate of gain was the cause of the slowing of the *production* expansion.

Cow And Heifer Inventory Larger

Milk cow numbers on farms on July 1 were 10.9 mil-*lion head, up 23,000 from January 1, 88,000 (0.8 per-*cent) more than a year ago, and 192,000 (1.8 percent) higher than 2 years ago. Milk cow replacements also increased. On July 1, dairy heifers (500 pounds and over) totaled 4.6 million head, up 260,000 (5.6 percent) from July 1, 1980. The July 1 ratio of replacements per 100 milk cows in the U.S. dairy herd, at 42.6, was the largest value on record. With the large number of replacements available, the milking herd has the potential to continue to expand. However, with uncertainty about the future timing and level of milk price supports, culling of marginal cows could be large enough to hold down the pace of *expansion.*

Milk-Feed Ratio Higher

Since late spring, feed ingredient prices have weakened in response to improving crop prospects and this year's ample supply. The lower prices continue to be reflected in lower dairy feed prices. The average price of 16-*percent protein dairy ration in mid-August was $189 a* ton, down $11 from mid-May but still $9 higher than last *year. With the all-milk price in August unchanged from* May, the milk-feed price ratio improved from 1.35 in *May to 1.43 in August—the first time since July 1980* that the ratio exceeded year-earlier levels.

In mid-September, No. 2 yellow corn at Chicago was about $2.75 a bushel, down 70 cents from mid-May and *65 cents below a year ago. The market price of corn is* expected to remain below year-earlier levels for the rest

U.S. milk production

Month	1980	1981	Change
	Million pounds		*Percent*
January	10,307	10,739	+4.2
February	9,970	10,903	+1.2
March	10,946	11,426	+4.4
April	11,013	11,544	+4.8
May	11,664	12,064	+3.4
June	11,321	11,628	+2.7
July	11,036	11,320	+2.6
August	10,782	11,065	+2.6
September	10,364		
October	10,455		
November	10,076		
December	10,491		
Total	128,425		

Milk cows and replacements, 1977-81

Date	Milk cows	Replacement heifers, 500 pounds and over	
		Number	Per 100 cows
	1,000	*Number*	
1977			
January	10,998	3,887	35.3
July 1	10,946	4,004	36.6
1978			
January 1	10,896	3,886	35.7
July 1	10,761	3,955	36.8
1979			
January 1	10,790	3,932	36.4
July 1	10,700	4,115	38.5
1980			
January 1	10,779	4,158	38.6
July 1	10,804	4,378	40.5
1981			
January 1	10,869	4,353	40.0
July 1	10,892	4,638	42.6

Milk-feed price ratio[1]

Month	1979	1980	1981
		Pounds	
January	1.62	1.54	1.39
February	1.59	1.57	1.40
March	1.58	1.55	1.42
April	1.56	1.55	1.39
May	1.53	1.53	1.35
June	1.51	1.50	1.36
July	1.43	1.47	1.40
August	1.51	1.42	1.43
September	1.54	1.39	
October	1.55	1.42	
November	1.59	1.40	
December	1.54	1.38	
Average	1.54	1.47	

[1]Pounds of 16% protein ration equal in value to 1 pound of milk.

of 1981 and well into 1982. This is because of the probable record 1981 corn crop—projected at 7.94 billion bushels as of September 1—19 percent greater than the 1980 crop. The harvest, when combined with a projected carryover of about 1 billion bushels, will result in a total supply that will be only about 3 percent below the 1979/80 record. Meanwhile, total corn use will likely be up some but not as much as supply. Thus, the 1981/82 carryover stocks are expected to increase and keep downward pressure on corn prices.

The 1981 soybean crop—projected at 2.09 billion bushels as of September 1—while not a record, will be large—15 percent above the 1980 crop. When combined with the estimated carryover of about 345 million bushels, soybean supplies will hit an alltime high. Total soybean use will likely be up, but not enough to match the gain in supply; thus, a larger carryover is expected for 1981/82. Higher stock levels will keep the price of soybeans and products through the rest of 1981 and for at least the first half of 1982 below a year earlier. In mid-September, 44-percent protein soybean meal (Decatur) was quoted at about $195 per ton, down about $25 from mid May and $35 below a year ago.

Mid-August prices received by farmers for baled alfalfa hay averaged $67.10 a ton, down about $7 from a year ago and nearly $16 less than mid-May. Prices ranged from $85 in Arizona, Kentucky, and Texas to $35 in Michigan.

Based on August 1 conditions, total hay production in 1981 was estimated at 138 million tons, a 5-percent increase from 1980. However, when combined with a smaller carryin, total 1981/82 supplies are forecast to be about 1 percent below a year ago. Production of alfalfa and alfalfa hay mixtures for 1981 was estimated at 81 million tons, 1 percent above 1980.

While 1981/82 hay supplies may be down slightly, pasture conditions are much improved over those of a year earlier, reducing the demand for hay. September 1 pasture and range feed conditions were rated good to excellent, with a rating of 82 percent, compared with the very poor conditions of 61 percent a year earlier. This year's rating was 7 percentage points above the 1970-79 average. Pastures were rated good to excellent in the Northeast, Lake States, Corn Belt, and Pacific—the top four milk production regions.

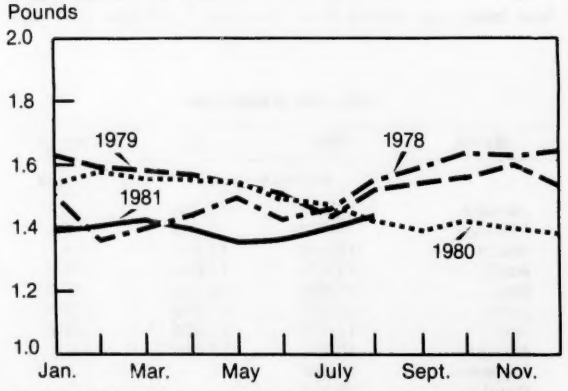
1981 Milk Production to be a Record; Gains May Continue Into 1982

The expansion in milk production that has been ongoing since May 1979 will continue for the rest of this year, even if the price support level is not raised on October 1. Milk cow numbers have increased 49,000 since May. With a record-large number of replacements available, the dairy herd will probably continue to expand and end the year above 1980 levels. For the year, the herd will probably average 0.6 to 0.9 percent larger. However, if the support price remains at its current level on October 1 and no adjustment on April 1 seems likely, some dairy farmers are expected to increase their culling rate because of the reduced income potential of their marginal cows. Under this scenario, milk cow numbers would decline slightly and at yearend be almost equal with a year earlier.

Utility cow prices, Omaha

Month	1979	1980	1981
		Dollars per cwt.	
January	47.33	47.94	41.61
February	50.81	51.22	43.65
March	52.94	48.80	43.12
April	57.00	45.73	42.93
May	55.51	42.78	42.39
June	50.60	44.06	42.88
July	47.80	43.33	43.78
August	48.33	45.53	44.31
September	49.65	46.56	
October	47.71	45.93	
November	46.49	43.91	
December	46.98	42.92	
Average	50.10	45.73	

Milk-Feed Price Ratio*



*Pounds of 16% protein ration equal in value to one pound of milk sold to plants and dealers.

USDA Neg. ERS 40-81(9)

Milk output per cow, on a daily average basis, was up 3.7 percent during January-April. But with concentrate feeding on April 1 and July 1 unchanged from a year earlier, gains in output per cow slowed to an average of 2.1 percent during May-August. However, with the large crops that are to be harvested this fall and the resulting lower cost of dairy rations, increases in concentrate feeding will likely be posted again. As a result, gains in output per cow are likely to improve some this fall, leaving 1981 output per cow up 2 to 3 percent. Thus, milk production gains can be expected for the rest of this year, with the total for 1981 up about 3 percent from the 128.4 billion pounds in 1980.

The level of milk production in 1982 will largely depend on the level of support for October 1, 1981, whether there will be a midyear adjustment on April 1, 1982, and the support level on October 1, 1982. However, a number of other factors will have an impact including milk prices received by farmers, feed costs, replacements available, cull cow prices, and returns from other farm and non-farm opportunities. Even with no gain in concentrate feeding, output per cow would improve some during first half 1982. In addition, with the large number of replacements available, the dairy herd could remain above year-earlier levels during early 1982. On balance, milk production early next year can be expected to continue above year-earlier levels.

PRICES AND INCOME

Farm Price Declines Have Ebbed

Prices received by dairy farmers for milk declined seasonally from January to July and then increased slightly in August. This follows the normal seasonal butterfat content pattern—the fat test falls from January to July and then increases until December.

In August, farmers received an average of $12.50 per cwt, for manufacturing grade milk, 70 cents (6 percent) higher than a year earlier, 50 cents below January, but 10 cents above July. However, after adjusting for the butterfat test, the Grade B milk price was nearly unchanged from January—down only 2 cents. The adjusted August price was 33 cents below the established support level of $13.10 per cwt for milk testing 3.67 percent fat ($12.80 at 3.5 percent fat). This shortfall, which has existed since April 1980, continues to reflect the large supply of milk and reduced competition for raw milk between dairy product manufacturers. Since April 1980, the difference between the adjusted Grade B price and the support level has averaged about 38 cents.

Milk prices received by farmers

Month	All sold to plants			Manufacturing grade		
	1979	1980	1981	1979	1980	1981
	Dollars per 100 pounds					
January	11.90	12.80	14.10	10.90	11.80	13.00
February	11.90	12.80	14.00	10.80	11.70	12.90
March	11.80	12.80	13.80	10.80	11.80	12.90
April	11.60	12.70	13.60	10.80	11.80	12.70
May	11.50	12.60	13.50	10.80	11.70	12.70
June	11.50	12.50	13.40	10.70	11.70	12.50
July	11.60	12.60	13.40	10.80	11.60	12.40
August	12.00	12.80	13.50	11.10	11.80	12.50
September	12.30	13.20		11.40	12.20	
October	12.60	13.70		11.60	12.70	
November	12.90	14.00		11.70	12.90	
December	12.80	14.10		11.70	13.00	
Average	12.00	13.00		11.10	12.00	

Minimum Federal order class prices have remained quite stable throughout the year, although declining somewhat in recent months. For October, minimum Class I prices (which are based on the Minnesota-Wisconsin price for the second preceding month) will average $14.57 per cwt, down 21 cents from the high of $14.78 in May, 6 cents below January, but 61 cents above last year. Over-order payments negotiated by cooperative associations have also reflected this stable price situation, ranging from 68 cents per cwt in September to 57 cents in May.

The all-milk price received by farmers averaged $13.50 per cwt during August, 70 cents (5.5 percent) higher than a year ago, 60 cents below January, but 10 cents above July. Unlike the adjusted manufacturing-grade price, which fluctuated but change little over all from January to August, the adjusted all-milk price declined 26 cents from January to May and then increased 14 cents from May to August. That pattern left the August adjusted all-milk price 12 cents below January.

With milk production expected to remain large relative to commercial use for the rest of this year, the seasonal increase in milk prices this fall could be small, leaving the all-milk average price for 1981 up around 6 percent. If the support level is raised to 75 percent of parity on October 1, the rise in prices could be enough to add another percentage point to the 6 percent gain.

In early 1982, milk prices will depend on the level of price supports and supply and demand conditions. With some strengthening in the economy and a tighter supply of other high-protein foods, the demand for dairy products is expected to strengthen. This alone should strengthen farm milk prices early next year. However, a continued expansion in milk production would moderate any price increases.

Milk Support Levels Still Being Debated

A number of proposals about the dairy price support program have been made as part of the 1981 farm legislation. However, at this time it is not possible to deter-

mine which, if any, of the proposals will be included in the 1981 omnibus farm legislation or whether the act will be passed and signed into law before October 1. If there is no new farm legislation in place before October 1, the dairy provision of the recently enacted Omnibus Budget Reconciliation Act of 1981 would take effect until the farm bill is passed. The Act calls for a minimum support level at 75 percent of parity on October 1, no midyear adjustment on April 1, 1982, and the level of support on October 1, 1982 to be based on the projected level of net removals, (milk equivalent or nonfat dry milk)—the greater the expected net purchases, the lower the support rate.

Current indications, based on the most recent Parity Index, are that the October 1, 1981 support level at 75 percent parity for manufacturing grade milk testing 3.67 percent would be $13.49. For 3.5 percent fat milk it would be $13.18. In order to achieve the higher support price, of $13.49 ($13.18) the CCC purchase price for butter (assuming an equal split between butter and nonfat dry milk and no change in the manufacturing allowance of $1.22) would probably be raised about 4.25 cents a pound to $1.5325, while the purchase price for nonfat dry milk would likely increase about 2.4 cents a pound to 96.4. The CCC purchase price for cheese (assuming no change in its manufacturing allowance of $1.37 and a whey value of zero) would likely increase about 3.75 cents to $1.4325 a pound for 40-pound blocks and to $1.405 for 500-pound barrels.

Class II Price Announcement Procedure

Following approval by the affected producers, USDA amended the Class II price announcement procedure in 29 Federal order markets that had adopted uniform classification provisions in 1974. The first Class II price announcement under the new procedure was made on September 15 for the October price.

The procedure provides for a tentative Class II price for the month announced on the 15th of the preceding month. The Class II price for a particular month is based on the Minnesota-Wisconsin (M-W) price for the second preceding month (the latest available at the time of the tentative Class II price announcement), updated by a formula based on changes in the prices of selected manufactured dairy products. A Class II differential computed from a 12-month moving average of past Class II differentials is added to this updated price. Over time, this differential should yield a Class II price about 10 cents above the Class III price. The final Class II price cannot be less than the Class III price for the month. Because the Class III price (the M-W for the month) is not known until the 5th of the following month, the final Class II price will be announced at that time.

For example, the tentative Class II price announced on September 15 is effective for the month of October. It is based on the M-W price for August updated by changes in dairy product prices during the first 15 days of September, compared with the first 15 days of August. Added to this updated price is a moving average of the Class II differentials for the 12-month period of September 1980 through August 1981.

The tentative Class II price for October, announced September 15th, was $12.75 per cwt. However, the final Class II price will not be known until November 5th, when the October M-W price is announced. If the October M-W is higher than the tentative Class II price announced on September 15th, then the final Class II price for October would be the October M-W. Otherwise, the final Class II price will be equal to the tentative Class II price.

USDA has received a request for a hearing to provide for the adoption of a similar Class II price announcement procedure in 14 other Federal order markets that were not included in the current decision.

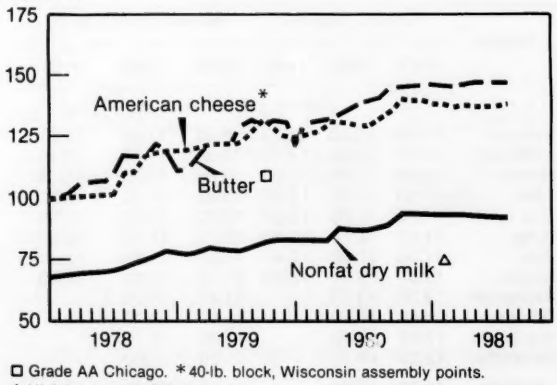
Gains In Cash Receipts Slow

During the first 4 months of 1981, cash receipts from the sale of milk were estimated to have increased about 13 percent from 1980 as a result of nearly 4-percent larger marketings and 9-percent higher prices. During the next 4 months, cash receipts were estimated to have increased about 9 percent, as the gains in marketings slowed to 3 percent, and prices were only about 6 percent higher than a year ago. For all of 1981, cash receipts will likely be up 8 to 11 percent.

Wholesale Prices Remain Flat

The July index of wholesale prices for dairy products, as reported by the Bureau of Labor Statistics (BLS), was 245.5 (1967=100), up 6.7 percent from a year ago. Year-over-year gains in the index continue to slow, reflecting the very stable wholesale prices for most dairy products. Since January, the index has increased less than 1/2 percent. It probably will move higher this fall, with the magnitude of the increase depending largely on the level of price supports. If purchase prices don't increase, then

Wholesale Dairy Product Prices



□ Grade AA Chicago. * 40-lb. block, Wisconsin assembly points.
△ High-heat, central-states.

USDA Neg. ERS 79-81(9)

it should advance seasonally only 1 to 3 percent through year-end.

Prices in the major wholesale markets for dairy products have remained nearly unchanged since last fall. The lack of advancement reflects surplus milk production and no April 1, 1981, upward adjustment in purchase prices.

In mid-September, wholesale prices for Grade A butter in Chicago were quoted at about $1.48 a pound, up 3 cents since mid-October 1980, with most of that gain coming since mid-June. Nonfat dry milk (high heat, Central States area) was priced at about 93 cents a pound in mid-September, nearly unchanged since mid-October last year but up about 1/2 cent since mid-June. The price of Cheddar cheese in 500-pound barrels (Wisconsin assembly points) remained unchanged from both mid-October and mid-June—about $1.34 a pound. Meanwhile 40-pound blocks were reported at about $1.39 a pound—down 2 cents since mid-October 1980, but unchanged since June. Edible dry whey (nonhygroscopic, Central States area) was priced near 19 cents a pound in mid-September, unchanged from a year ago but up 6 cents from the season's low price at the end of May.

Wholesale prices for butter, nonfat dry milk, and cheese may rise some this fall in response to the normal seasonal tightening of the supply-demand balance (less surplus milk in the fall). In addition, if purchase prices are increased on October 1, the market will likely reflect the hike. However, the price advancement from July to December this year will likely be less than last year even if the price support level is raised to 75 percent of parity this October.

Abatement of Retail Price Rise Continues

The slowing rate of gain in milk prices at the farm during January-July and stable wholesale prices of dairy products since last fall were reflected in a slowdown of year-to-year retail price increases for milk and dairy products. The July BLS retail price index for dairy products was 244.2 (1967=100), up only 6.8 percent from a year ago. This compares with a gain of 10.1 percent in the first quarter of this year and a 8.2-percent rise in the second quarter.

The retail price reported by BLS for a half-gallon of whole milk was $1.118, up 5 percent from a year ago but down 1/2 cent from March. The butter price, $1.992 a pound, was 7 percent above last year but was also down from March. The average retail price for ice cream in July was $2.024 a half-gallon, up 10.5 percent from last year but the price was unchanged since April.

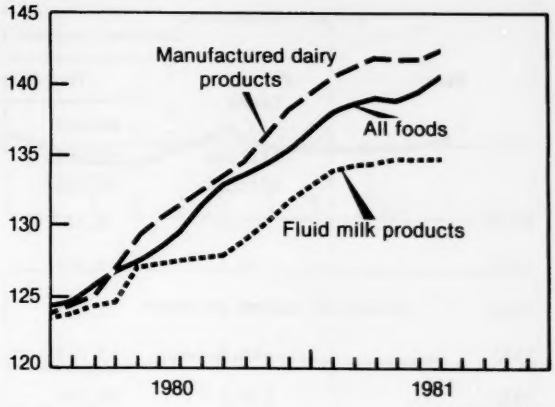
With milk and dairy products likely to be in ample supply, year-to-year retail price gains this fall can be expected to be relatively small. For 1981, retail dairy prices are expected to average about 8 percent higher, near the increase expected in the all-food price index.

Consumer Dairy Expenditures Higher In 1980

Consumers spent $36.7 billion for milk and dairy products during 1980, up 12.9 percent from 1979 (table 1).

Retail Food and Dairy Products Prices

Dec. 1977 = 100



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Retail dairy product prices

Item	Unit	July 1980	Nov. 1980	Mar. 1981	July 1981
All dairy products	1967=100	228.6	235.4	242.6	244.2
Milk, fresh whole, fortified	$/1/2 gal.	1.053	1.084	1.113	1.118
Milk, fresh skim	$/1/2 gal.	.926	.948	.962	.980
Milk, fresh lowfat	$/1/2 gal.	1.019	1.053	1.076	1.058
Butter, salted Grade AA, sticks	$/lb.	1.863	1.990	2.003	1.992
Ice cream, prepackaged, bulk, regular	$/1/2 gal.	1.831	1.878	1.992	2.024
Yogurt, natural fruit flavored	$/1/2 pt.	.476	.482	.498	.504

Consumer Expenditures

Item	Consumer expenditures for dairy products	
	1979	1980
	Billion dollars	
At-home	22.9	25.5
Away-from-home	9.6	11.2
Public eating places	7.1	8.3
Institutions	2.5	2.9
Total	32.5	36.7

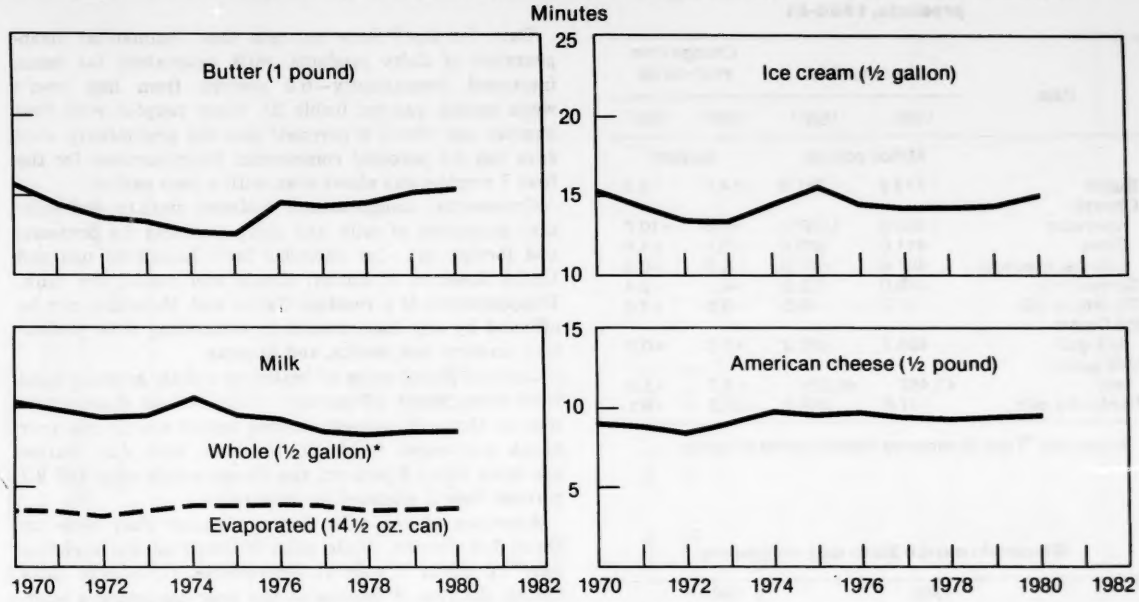
Table 1--Consumer expenditures for food and dairy products, income, and labor required to purchase specified dairy products, selected years, 1950-80

Year	Consumer expenditures			Disposable personal income	Hourly wage rate 2/
	For all foods 1/	For dairy products			
		Amount	Percentage of all food		
	Billion dollars	Million dollars	Percent	Billion dollars	Dollars
1950	46.0	8,157	17.7	205.4	1.44
1955	58.1	10,301	17.7	273.3	1.86
1960	70.5	12,098	17.2	352.0	2.26
1965	85.8	13,049	15.2	475.8	2.61
1970	119.6	16,729	14.0	695.3	3.35
1971	123.4	15,176	12.3	751.8	3.57
1972	132.4	17,957	13.6	810.3	3.82
1973	147.9	19,294	13.0	914.5	4.09
1974	167.5	21,823	13.0	998.3	4.42
1975	185.2	23,316	12.6	1,096.1	4.83
1976	200.4	26,386	13.2	1,194.4	5.22
1977	217.9	27,441	12.6	1,311.5	5.68
1978	241.4	29,606	12.3	1,462.9	6.17
1979	273.2	32,503	11.9	1,641.7	6.69
1980 3/	302.9	36,699	12.1	1,821.7	7.27

Year	Time worked to earn money to purchase 4/				
	Butter, 1-lb.	Milk at stores, ½-gal.	American cheese, ½-lb.	Ice cream, ½-gal.	Evaporated milk, 14½-oz. can
	Minutes				
1950	29.6	15.8	11.7	5/35.6	5.1
1955	22.5	13.8	10.2	26.6	4.3
1960	19.5	12.8	9.0	22.2	4.1
1965	17.3	10.9	8.7	18.1	3.5
1970	15.5	10.3	9.0	15.1	3.4
1971	14.7	9.9	8.9	14.4	3.3
1972	13.7	9.4	8.5	13.5	3.1
1973	13.4	9.6	8.9	13.3	3.3
1974	12.8	10.4	9.9	14.6	3.9
1975	12.7	9.6	9.5	15.2	3.8
1976	14.7	9.3	9.9	14.6	3.9
1977	14.3	8.7	9.4	14.3	3.8
1978	14.5	8.4	9.3	14.2	3.7
1979	15.1	8.6	9.6	14.6	3.7
1980 3/	15.5	8.7	9.7	15.0	3.8

1/ Excludes alcoholic beverages, food donated by the Government, non-personal spending for food, and institutional food use. 2/ Average of all manufacturing industries. 3/ Preliminary. 4/ Based on hourly wage rates of all manufacturing industries. 5/ 1951.

Minutes Worked Earning Money to Buy Selected Dairy Products Δ



Δ Data are based on hourly wage rates of all manufacturing industries. *Bought at stores.

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This compares with a 10.9-percent increase in expenditures for all foods. With consumption of dairy products in 1980 unchanged from 1979, all of the increase was due to higher retail prices. In 1980, dairy farmers received about $16.6 billion for the milk they've marketed, about 45 percent of the consumer's food dollar spent on dairy products—nearly unchanged from the year before.

In 1980, wages rose about 8.7 percent while retail prices of dairy products increased 9.8 percent. As a result, the average wage earner had to work longer to earn the money to purchase dairy products. For example, it took 15.5 minutes to earn the money to buy a pound of butter in 1980, up from 15.1 minutes in 1979. Similar increases in the required time worked to purchase fresh whole milk, American cheese, ice cream, and evaporated milk were also noted.

UTILIZATION

Manufactured Product Output Remains Large

Raw milk used in making manufactured dairy products during May-July was 3.6 percent (700 million pounds) above a year ago. In contrast, milk used during January-April was up 7.9 percent (1.9 billion pounds). These two gains reflect the continued expansion in milk production and the recent slowing of the increase. During January-July manufactured dairy products, on a milk-equivalent fat basis, used about 2.6 billion pounds more milk than for the same period a year ago. Almost all of the increase available for manufacturing purchases, 2.5 billion pounds, was used in making butter-powder and American cheese, the products that USDA purchases under the dairy price support program.

Butter production during May-July was only about 1 percent larger than a year ago. Combined with the 11-percent gain for January-April, production for the first 8 months of 1981 was up 6.8 percent. Butter output used slightly more than a third (1 billion pounds) of the additional 2.6 billion used in making manufactured dairy products. In August, preliminary weekly data indicate butter output was up about 10 percent.

Production of American cheese during May-July was 7 percent larger than a year ago and used about two-thirds of the extra 700 million pounds of milk made into manufactured products. The May-June output, combined with the 14-percent gain during January-April, pushed

Production of selected manufactured dairy products, 1980-81

Item	January-July		Change from year earlier	
	1980	1981[1]	1980	1981[1]
	Million pounds		*Percent*	
Butter	713.2	761.9	+14.7	+6.8
Cheese:				
American	1,433.8	1,587.2	+7.8	+10.7
Other	911.0	928.6	+3.4	+1.9
Cottage, creamed	497.6	463.9	−1.3	−6.8
Canned milk	449.0	438.0	+0.1	−2.4
Dry whole milk	47.7	49.5	−9.5	+3.8
Ice Cream (Mil. gal.)	495.7	497.2	+2.8	+0.3
Milk equivalent[2]	43,452	46,034	+7.7	+5.9
Nonfat dry milk	747.8	808.1	+27.5	+8.1

[1]Preliminary. [2]Total all reported manufactured products.

Wisconsin out-of-State milk shipments

Month	1980		1981	
	Loads	Volume	Loads	Volume
	Number	*pounds*	*Thousand Number*	*pounds*
January	156	7,332	4	188
February	70	3,290	7	329
March	20	940	2	94
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
July	119	5,593	48	2,256
August	146	6,862	41	1,927
September	190	8,930		
October	67	3,149		
November	8	376		
December	6	282		
Total	782	36,754		

American cheese production during January-July up 10.7 percent. The increase used almost three-fifths (1.5 billion pounds) of the additional milk used during January-July. Preliminary weekly data indicate American cheese production for August was up about 5 percent.

Meanwhile, the manufacture of other varieties of cheese during May-July was up about 5 percent and used an additional 200 million pounds of raw milk relative to a year ago. When combined with the slight decline during January-April, production during January-July was up nearly 2 percent. Production of evaporated and condensed milk during May-July improved from last year, as did ice cream output. When added to the January-April data, canned milk output during the first 7 months was down about 2.4 percent, while ice cream output was up very slightly—0.3 percent.

Commercial Use Recovers

Data for April-June indicate that commercial disappearance of dairy products, milk equivalent fat basis, increased dramatically—6.2 percent from last year's weak second quarter (table 2). When coupled with first quarter use (down 5 percent) and the preliminary July data (up 2.2 percent) commercial disappearance for the first 7 months was about even with a year earlier.

Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donation of butter, cheese and nonfat dry milk. Disappearance is a residual figure and, therefore, can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports.

January-March sales of butter on a daily average basis were down about 23 percent, while second quarter use was up about 33 percent, leaving butter use for the year about unchanged (table 3). However, with July butter use down about 9 percent, the January-July sales fell 2.7 percent (less if adjusted for leap year).

American cheese sales during January-July were up about 1/2 percent, while sales of other cheese varieties were up about 4 percent. Meanwhile, fluid milk sales during the first 6 months of the year continued a long-term trend and declined slightly, less than 1 percent from a year ago when adjusted for calendar composition.

Commercial use of milk and dairy products on a milk-equivalent basis may increase some during the third quarter. Retail prices of dairy products are expected to have increased less than meat prices during July-September but consumer incomes may not have increased. Thus, while consumers may have found dairy products relatively more attractive, they may not have had the money to buy more of them. If support prices are raised on October 1, the resulting increase in retail prices during the fourth quarter could slow sales at the end of the year. Overall, use should be up about 1 percent in 1981.

Changes in January-July dairy sales from year earlier

Item	Change
	Percent
Total milk[1]	+0.3
Manufactured products:	
American cheese	+0.5
Other cheese	+4.3
Cottage cheese[2]	−3.8
Butter	−2.7
Ice cream	−0.3
Ice milk	−0.1
Canned milk	+2.8
Nonfat dry milk	−14.5
Fluid products	[3]−0.7
Whole milk	[3]−4.3
Skim and lowfat milk	[3]+4.4
Cream and mixtures	[3]+3.0

[1]On a milk equivalent, fat-solids basis. [2]Creamed and low-fat. [3]January-June.

Table 2--Commercial disappearance: Total milk, annual and by quarters, 1979-81 1/

Item	1979	1980					1981 2/				
		By quarters				Annual	By quarters				Annual
		1st	2nd	3rd	4th		1st	2nd	July	4th	
		Billion pounds									
Production	123.4	31.2	34.0	32.2	31.0	128.4	32.3	35.2	11.3		
Farm use	2.5	.6	.6	.6	.6	2.3	.6	.6	.2		
Marketings	120.9	30.6	33.4	31.6	30.4	126.1	31.7	34.6	11.1		
Beginning commercial stocks	4.5	5.4	5.6	6.3	6.1	5.4	5.8	6.0	5.9		
Imports	2.3	.4	.4	.5	.9	2.1	.4	.5	.2		
Total supply	127.7	36.4	39.4	38.4	37.4	133.6	37.9	41.1	17.2		
Ending commercial stocks	5.4	5.6	6.3	6.1	5.8	5.8	6.0	5.9	6.0		
Net removals	2.1	1.5	4.4	1.5	1.4	8.8	4.3	4.8	1.1		
Commercial disappearnace Actual	120.2	29.3	28.7	30.8	30.2	119.1	27.6	30.4	10.2		
Percent change 3/	+1.2	4/+.6	-5.0	+0.1	-0.5	-0.9	4/-5.0	+6.2	+2.2		

1/ Milk equivalent, fat solids basis. Totals may not add due to rounding.
2/ Preliminary.
3/ From year earlier using unrounded data.
4/ On a daily average basis.

Table 3--Commercial disappearance: Selected dairy products, United States, annual 1970-80, quarters, 1980-81 1/

Year and quarter	Butter 2/	Cheese: American 3/	Cheese: Other	Nonfat dry milk	Canned milk	Frozen products 4/
	Million pounds					Million gallon
1970	898.2	1,398.0	909.1	983.2	1,213.8	1,097.3
1971	847.1	1,454.8	987.0	981.8	1,186.9	1,102.4
1972	885.4	1,595.7	1,127.8	919.2	1,102.6	1,108.6
1973	855.6	1,677.1	1,210.2	1,110.1	1,056.7	1,118.6
1974	929.9	1,780.6	1,276.5	809.9	999.5	1,128.0
1975	951.0	1,717.1	1,331.9	697.0	923.9	1,183.9
1976	919.0	1,920.9	1,458.0	719.2	899.0	1,154.0
1977	859.8	1,958.8	1,512.3	682.2	775.2	1,167.6
1978	903.5	2,064.7	1,655.5	658.4	776.1	1,173.5
1979	895.0	2,113.1	1,730.4	603.1	773.7	1,152.9
1980	878.8	2,023.9	1,827.9	538.9	732.5	1,167.5
1980 - 1st	250.4	515.2	421.3	159.8	176.9	256.1
2nd	161.3	501.6	424.7	79.4	160.7	320.5
3rd	229.3	471.2	438.3	186.9	170.0	350.1
4th	237.9	535.4	543.8	112.7	225.0	240.9
1981 - 1st	190.0	502.4	433.7	97.0	179.1	251.9
2nd.	215.3	518.3	444.8	84.6	158.4	325.6
July	66.6	139.8	148.5	61.6	62.0	126.6
4th						
	1980-81 percent change					
1st 5/	-23.1	-1.3	+4.0	-38.3	+2.4	-1.6
2nd.	+33.5	+3.3	+4.7	+6.5	-1.4	+1.6
July	-9.0	+1.3	+7.3	+35.7	+21.3	+.1
4th.						

1/ Totals may not add due to rounding.. 2/ Imports include butter equivalent of butteroil. 3/ Imports include Colby cheese; stocks do not include processed cheese. 4/ Excludes Mellorine. 5/ On a daily average basis.

Table 4--Milk: Supply and utilization in all dairy products, United States, 1965-80 1/

Year	Supply					Utilization						
	Production	Imports	Beginning stocks: Commercial	Beginning stocks: Government	Total	Total use	Exports and shipments: Commercial 2/	Exports and shipments: USDA 3/	Exports and shipments: Total	Domestic disappearance: Fed to calves	Domestic disappearance: Food use: Military	Domestic disappearance: Food use: Civilian consumption: Total	Domestic disappearance: Food use: Civilian consumption: Per capita
	Million pounds												Pounds
1965	124,180	923	4,317	973	130,393	125,937	1,710	648	2,358	2,061	2,819	118,699	620
1966	119,912	2,791	3,918	538	127,159	122,300	907	301	1,208	1,980	2,376	116,736	604
1967	118,732	2,908	4,813	46	126,499	118,247	593	231	824	1,891	2,117	113,415	581
1968	117,225	1,780	4,258	3,994	127,257	120,550	814	957	1,771	1,821	3,295	113,663	577
1969	116,108	1,621	3,983	2,724	124,436	119,191	942	477	1,419	1,745	2,696	113,232	569
1970	117,007	1,874	3,798	1,447	124,126	118,323	949	41	990	1,702	2,419	113,212	561
1971	118,566	1,346	3,705	2,098	125,715	120,611	1,063	1,963	3,026	1,635	2,031	113,919	556
1972	120,025	1,694	3,565	1,539	126,823	121,325	1,263	884	2,147	1,624	1,671	115,883	558
1973	115,491	3,860	3,493	2,005	124,849	119,641	1,213	79	1,292	1,584	1,257	115,508	551
1974	115,586	2,923	4,732	476	123,717	117,831	1,133	25	1,158	1,558	1,137	113,978	539
1975	115,398	1,669	5,576	310	112,953	119,110	1,026	20	1,046	1,566	1,075	115,423	540
1976	120,180	1,943	3,719	124	125,966	120,257	1,004	23	1,027	1,567	1,013	116,650	540
1977	122,654	1,968	5,299	410	130,331	121,705	963	29	992	1,541	996	118,176	542
1978	121,461	2,310	4,916	3,710	132,397	123,668	927	51	978	1,497	977	120,216	545
1979	123,411	2,305	4,475	4,254	134,445	125,846	982	38	1,020	1,437	1,163	122,226	548
1980 4/	128,425	2,107	5,419	3,180	139,131	126,172	1,473	51	1,524	1,389	1,049	122,210	542

1/ Milk equivalent, fat solids basis. 2/ Includes sales for dollars and government-to-government sales. 3/ Includes P.L. 480 and Aid programs. 4/ Preliminary.

Table 5--Dairy products: Per capita civilian consumption, United States, 1965-80 1/

Year	Fluid milk and cream 2/: Sales of fluid products	Fluid milk and cream 2/: Total	Butter	Cheese: Whole and part skim milk 3/: American	Cheese: Whole and part skim milk 3/: Other	Cheese: Cottage cheese	Evaporated and condensed: Canned, whole milk	Evaporated and condensed: Bulk condensed, whole milk	Skim and buttermilk	Frozen products: Ice cream	Frozen products: Ice milk	Frozen products: Sherbet	Frozen products: Other frozen dairy products	Frozen products: Mellorine	Dry milk products: Dry whole milk	Dry milk products: Nonfat dry milk	Dry milk products: Dry buttermilk	Dry milk products: Dry whey 4/
	Pounds																	
1965	272	290	6.4	6.2	3.4	4.6	8.6	2.1	5.0	18.5	6.6	1.5	0.2	1.3	0.3	5.6	0.4	0.6
1966	272	289	5.7	6.2	3.6	4.6	7.9	1.9	5.4	18.2	6.8	1.6	.2	1.3	.3	5.9	.3	.7
1967	265	280	5.5	6.4	3.7	4.5	7.3	1.7	5.0	17.8	7.0	1.5	.2	1.3	.3	5.6	.3	.9
1968	266	280	5.7	6.6	4.0	4.6	7.1	1.8	4.8	18.4	7.2	1.6	.2	1.4	.2	5.8	.3	1.1
1969	265	277	5.4	6.7	4.2	4.8	6.4	1.5	5.0	18.0	7.6	1.7	.2	1.3	.2	5.8	.3	1.2
1970	264	275	5.3	7.1	4.4	5.2	5.9	1.2	5.0	17.6	7.8	1.6	.2	1.2	.2	5.3	.2	1.5
1971	262	273	5.1	7.4	4.7	5.4	5.7	1.1	5.1	17.5	7.7	1.6	.2	1.1	.2	5.3	.3	1.6
1972	265	274	4.9	7.8	5.3	5.5	5.1	1.2	4.7	17.3	7.7	1.6	.3	1.1	.1	4.6	.2	1.8
1973	262	270	4.8	7.9	5.7	5.3	4.8	1.1	4.3	17.3	7.6	1.6	.3	.9	.1	5.3	.2	1.8
1974	254	261	4.5	8.6	6.0	4.6	4.4	1.2	3.5	17.4	7.7	1.5	.3	.8	.1	4.2	.2	2.2
1975	259	266	4.7	8.2	6.1	4.7	3.9	1.4	3.6	18.5	7.7	1.5	.3	.7	.1	3.3	.2	2.2
1976	252	263	4.3	9.0	6.7	4.8	3.7	1.3	3.6	17.9	7.3	1.5	.3	.5	.2	3.5	.2	2.4
1977	253	259	4.3	9.3	6.8	4.7	3.2	1.1	3.9	17.5	7.8	1.5	.3	.4	.2	3.3	.3	2.6
1978	251	256	4.4	9 6	7.4	4.7	3.1	1.0	3.5	17.4	7.7	1.4	.4	.4	.2	3.1	.2	2.5
1979	248	252	4.5	9.6	7.6	4.5	3.0	1.1	3.4	17.1	7.3	1.3	.3	.3	.3	3.3	.2	2.7
1980 5/	245	249	4.5	9.6	8.0	4.5	2.8	1.0	3.3	17.3	7.1	1.3	.3	.3	.3	3.2	.2	2.7

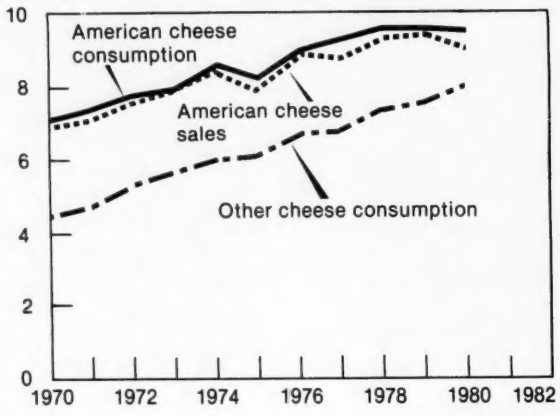
1/ See table 15, pp-332, for earlier years. 2/ Product pounds. 3/ Excludes cottage cheese. 4/ Includes modified dry whey products beginning 1975. 5/ Preliminary.

Increased Italian Cheese Use In 1980

Per capita consumption of natural cheese, processed cheese, and processed cheese foods and spreads on a natural equivalent basis rose 0.4 pounds to 17.6 in 1980 (table 5). The bulk of the increase was due to larger use of Italian-types of cheese (table 7). Between 1970 and 1980, per person consumption of cheese on a natural equivalent basis increased about 53 percent. With processed cheese consumption up slightly from 1979 civilians consumed an average of 12.5 pounds per person of natural cheese, up 0.3 pounds, continuing the long-term trend (table 9).

American cheese commercial sales for 1980 was slightly below 1979, thus, the increased consumption of 36 million pounds resulted from a 103 million pound increase in USDA donations. Meanwhile, commercial sales of other cheese types increased enough to just overcome the lower American cheese sales (table 6). Thus with total cheese sales up only slightly, the larger total cheese consumption came from greater donations.

Per Capita Cheese Consumption and Sales



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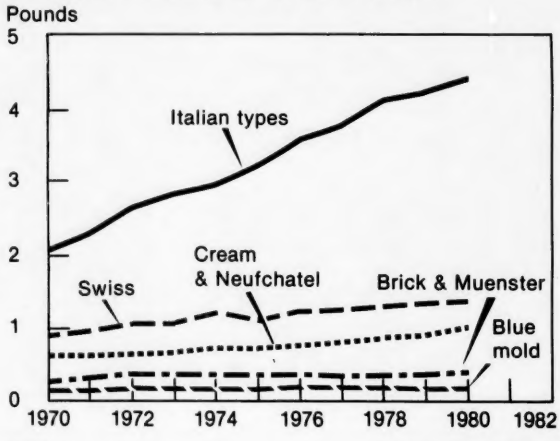
Per Capita Consumption of Other Cheese



USDA Neg. ERS 8370-81(9)

Table 9—Estimated per capita civilian consumption of processed and natural cheese, United States, selected years, 1965-80

Year	Processed	Precessed foods and spreads[1]	Total processed and products[2]	Natural[3]	Total natural equivalent
			Pounds		
1965	3.2	1.2	4.4	5.9	9.5
1970	3.3	2.2	5.6	7.0	11.5
1971	3.5	2.3	5.9	7.4	12.1
1972	3.4	2.7	6.0	8.2	13.1
1973	3.3	2.7	6.0	8.9	13.6
1974	3.4	2.9	6.4	9.5	14.6
1975	3.3	3.4	6.7	9.2	14.3
1976	3.8	2.6	6.5	10.5	15.7
1977	3.5	3.3	6.8	10.8	16.1
1978	3.4	3.3	6.6	11.8	17.0
1979[4]	3.4	3.1	6.5	12.2	17.2
1980[5]	3.5	3.1	6.6	12.5	17.6

[1]Includes cold pack; excludes spreads from Neufchatel and cream cheese. [2]May not add due to rounding. [3]Consumed in this form. [4]Revised. [5]Preliminary.

Table 6--Sales and civilian consumption of American and other cheese, United States, 1965-80

Year	Sales 1/			USDA donations			Civilian consumption	Per capita	
	Civilian	Military	Total	Civilian	Military	Total		Sales	Civilian consumption
	Million pounds							Pounds	
	American cheese								
1965	1,098	8	1,106	80	3	83	1,178	5.7	6.2
1966	1,195	11	1,206	5	---	5	1,200	6.2	6.2
1967	1,168	14	1,182	81	---	81	1,249	6.0	6.4
1968	1,191	13	1,204	105	4	109	1,296	6.0	6.6
1969	1,249	10	1,259	90	1	91	1,339	6.3	6.7
1970	1,385	8	1,393	46	---	46	1,431	6.8	7.1
1971	1,445	7	1,452	75	---	75	1,520	7.0	7.4
1972	1,568	5	1,573	46	---	46	1,614	7.5	7.8
1973	1,657	4	1,661	4	---	4	1,661	7.9	7.9
1974	1,768	3	1,771	43	---	43	1,811	8.3	8.6
1975	1,689	3	1,692	73	---	73	1,762	7.9	8.2
1976	1,908	4	1,912	25	---	25	1,933	8.8	9.0
1977	1,905	7	1,912	117	---	117	2,022	8.7	9.3
1978	2,041	9	2,050	70	---	70	2,111	9.2	9.6
1979	2,097	21	2,118	42	---	42	2,139	9.4	9.6
1980 2/	2,030	14	2,044	145	---	145	2,175	9.0	9.6
	Other cheese								
1965	648	5	653	---	---	---	648	3.4	3.4
1966	689	7	696	---	---	---	689	3.6	3.6
1967	720	8	728	---	---	---	720	3.7	3.7
1968	787	7	794	---	---	---	787	4.0	4.0
1969	843	6	849	---	---	---	843	4.2	4.2
1970	886	6	892	---	---	---	886	4.4	4.4
1971	966	5	971	---	---	---	966	4.7	4.7
1972	1,105	5	1,110	---	---	---	1,105	5.3	5.3
1973	1,188	5	1,193	---	---	---	1,188	5.6	5.7
1974	1,260	7	1,267	---	---	---	1,260	5.9	6.0
1975	1,310	7	1,317	---	---	---	1,310	6.1	6.1
1976	1,443	3	1,446	---	---	---	1,443	6.6	6.7
1977	1,491	2	1,493	---	---	---	1,491	6.8	6.8
1978	1,625	2	1,627	---	---	---	1,625	7.3	7.4
1979	1,699	3	1,702	---	---	---	1,699	7.6	7.6
1980 2/	1,799	2	1,801	---	---	---	1,799	7.9	8.0

1/ Domestic disappearance, commercial sources. 2/ Preliminary.

Table 7--Per capita consumption of selected cheese varieties, United States, 1960-80

Year	Swiss 1/	Italian-types 2/	Brick	Muenster	Cream and Neuf-chatel	Blue 3/	Edam and Gouda	Lim-burger	Roque-fort
					Pounds				
1960	.76	1.00	.15	.13	.60	.11	.06	.02	.01
1961	.73	1.02	.13	.13	.60	.11	.07	.02	.01
1962	.74	1.08	.13	.13	.66	.10	.07	.02	.01
1963	.72	1.18	.13	.13	.62	.10	.07	.02	.01
1964	.74	1.30	.12	.15	.63	.11	.07	.02	.01
1965	.73	1.40	.12	.16	.64	.12	.07	.02	.01
1966	.80	1.53	.12	.15	.60	.13	.10	.02	.01
1967	.81	1.59	.11	.15	.62	.12	.10	.01	.01
1968	.93	1.74	.11	.15	.60	.12	.15	.01	.01
1969	.85	1.97	.10	.16	.62	.13	.10	.01	.01
1970	.90	2.09	.10	.17	.63	.14	.11	.01	.01
1971	.95	2.31	.11	.19	.64	.14	.10	.01	.01
1972	1.08	2.63	.11	.22	.65	.16	.11	.01	.01
1973	1.08	2.84	.11	.22	.67	.17	.12	.01	.01
1974	1.21	2.99	.11	.23	.72	.16	.11	.01	.01
1975	1.11	3.27	.09	.24	.75	.15	.11	.01	.01
1976	1.26	3.60	.09	.26	.78	.18	.11	.01	.01
1977	1.22	3.77	.07	.25	.81	.17	.11	.01	.01
1978	1.35	4.12	.08	.27	.90	.19	.12	.01	.01
1979	1.36	4.28	.06	.29	.95	.17	.13	.01	.01
1980	1.40	4.47	.07	.31	1.01	.17	.13	.01	.01

1/ Includes imports of Gruyere and Emmenthaler. 2/ Includes imports of Romano, Pecorino, Reggiano, Parmesano, Provolone, and Provelette. 3/ Includes Gorgonzola.

Table 8--Per capita consumption of Italian-type cheese, by variety, United States, 1973-1980

Variety	1973	1974	1975	1976	1977	1978	1979	1980
				Pounds				
Provolone	.27	.28	.28	.32	.35	.37	.41	.42
Romano	.16	.15	.23	.17	.16	.19	.16	.15
Parmesan	.19	.25	.17	.28	.27	.28	.32	.28
Mozzarella	1.79	1.88	2.14	2.34	2.49	2.72	2.84	3.05
Ricotta	.34	.34	.38	.41	.41	.45	.47	.47
Other	.09	.09	.07	.08	.09	.11	.08	.10

Estimated per capita civilian consumption of Cheddar and other American cheese, United States, 1970-80

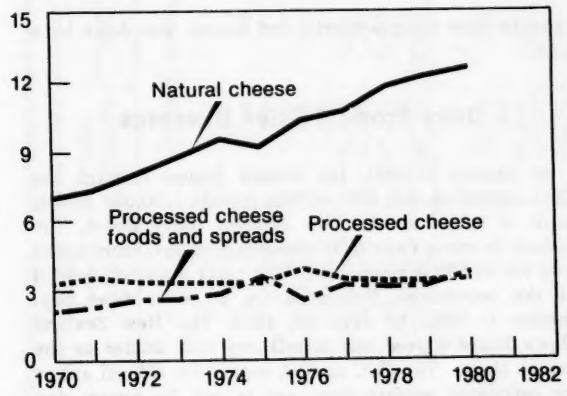
Year	Cheddar	Other American[1]	Total American types
	Pounds		
1970	5.9	1.2	7.1
1971	6.0	1.4	7.4
1972	6.1	1.7	7.8
1973	6.2	1.8	8.0
1974	6.4	2.2	8.6
1975	6.1	2.1	8.2
1976	6.5	2.5	9.0
1977	6.8	2.4	9.2
1978	7.0	2.6	9.6
1979	7.0	2.6	9.6
1980	6.9	2.8	9.7

[1]Colby, washed or stirred curd, high and low moisture jack, Monterey and granular.

Dairy product stocks

Item	Aug. 1 1979	Aug. 1 1980	Aug. 1 1981
	Million pounds		
Commercial:			
Butter	56.3	45.4	40.8
American cheese	458.2	443.4	429.4
Other cheese	100.8	112.4	99.1
Nonfat dry milk	123.2	118.7	99.1
Milkfat	237.3	226.3	209.5
Solids-not-fat	319.2	310.6	272.9
Milk equivalent	6,722	6,400	5,954
Government:			
Butter	201.9	262.6	473.3
American cheese	3.7	96.6	452.4
Nonfat dry milk	435.6	422.1	643.5
Milkfat	163.8	242.5	526.8
Solids-not-fat	420.1	435.8	758.5
Milk equivalent	4,207	6,378	14,245

Per Capita Consumption of Processed and Natural Cheese



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CCC Stocks Continue Large

Government holdings of dairy products on a milk-equivalent basis totaled more than 14 billion pounds on August 1, an increase of 123 percent from a year earlier. Butter holdings were up 80 percent, while American cheese stores were more than 3-1/2 times larger. Nonfat dry milk was up nearly half.

Commercial holdings of dairy products on a milk-equivalent fat solids basis have declined some since February—3.7 percent. The buildup in commercial stocks that normally occurs during February-June did not take place this year. This was due to the ample milk production that allowed use to be met from current production and high interest rates. Commercial stocks absorbed the equivalent of 1.1 billion pounds less milk from February 1 to August 1 this year than last. August 1 commercial stocks of milkfat were 7 percent below a year ago, while stocks of solids-not-fat were 12 percent lower.

Commercial stores of butter have continued to move lower since May 1 falling 22 percent. When compared with a year ago, they were down 10 percent on August 1. Meanwhile, August 1 commercial stocks of nonfat dry milk were also below May 1 and year-ago levels, 3 percent and 17 percent, respectively.

Unlike butter and nonfat dry milk, commercial stores of American cheese did not decline from May to August—they remained unchanged. 0ther cheese varieties increased 7 percent from May 1 to August 1. Meanwhile, commercial stores of American cheese on August 1 were down 3 percent from a year earlier, while stocks of other cheese were 12 percent lower.

With interest rates still high, commercial stocks can be expected to be maintained at a relative low level. Thus, with milk production relative to use likely to remain strong, sales to CCC will probably continue this fall.

CCC Purchases Remain Large

Net purchases by the CCC during July-August totaled 1.7 billion pounds milk equivalent, compared with 1.2 bil-

USDA dairy purchases[1]

Item	January-August		
	1980	1981	Change
	Million pounds		*Percent*
Butter	206.9	300.2	+45.1
American cheese	288.3	461.2	+60.0
Nonfat dry milk	490.3	622.7	+27.0
Evaporated milk	10.9	13.0	+19.3
Milk equivalent	7,144	10,783	+50.9

[1]Deliveries minus unrestricted sales.

lion a year earlier. During January-August, the CCC removed the equivalent of 10.8 billion pounds of milk from the market, up more than 50 percent from last year. CCC net purchases for the first 11 months of the marketing year totaled 12.2 billion pounds, up from 8 billion a year ago.

CCC net purchases of butter during January-August totaled 300 million pounds, up about 45 percent from 1980. Nonfat dry milk removals during the first 8 months were up over a fourth to 623 million pounds. Meanwhile, cheese manufactures delivered a net 461 million pounds of American cheese to the CCC, three-fifths more than a year earlier.

Government removals have reached the seasonal low point and will likely increase this fall. In general, CCC net purchases will depend on the relative strengths of milk production and commercial use. Disappearance may increase, but not as much as production this fall. Thus the level of CCC net purchases may match the large removals of last fall.

Uncommitted CCC stocks

Item	September 1	
	1980	1981
	Million pounds	
Butter	274.4	215.2
American cheese	199.2	544.3
Nonfat dry milk	571.6	777.1

On September 1, CCC uncommitted inventories of butter were down a fifth from a year earlier, reflecting the recent sale of butter to New Zealand. Meanwhile, uncommitted inventories of both nonfat dry milk and American cheese were above a year earlier, 36 percent and 173 percent, respectively.

FOREIGN TRADE AND TRENDS

Imports Stay High

U.S. imports of most dairy products during January-July, were above year-earlier levels. On a milk equivalent, fat solids basis, imports increased about a fourth (table 10). Some of the increase was because of little delay in issuing new quota licenses for 1981 and thus a more normal import pattern has occurred.

Cheese imports subject to quota were up by a third during January-July. American cheese imports were about double a year ago, as was blue-mold cheese. Swiss cheese imports were up about a sixth, while 'other' quota types were up about 50 percent. During the first 7 months of 1981, imports of cheese not subject to quota were even with year-ago levels. Meanwhile, casein imports were down a fourth and lactose was down by a half.

U.S. dairy trade (milk equivalent)

Year and quarters	Imports		Exports	Shipments[1]
	Cheese	Other		
	Million pounds			
1980				
1st	224	142	108	135
2nd	321	35	88	139
3rd	489	18	291	142
4th	832	46	405	146
Year[2]	1,866	241	892	562
1981				
1st	306	97	224	162
2nd	393	75	669	138

[1]To U.S. territories. [2]May not add due to rounding.

Dairy Product Sales Overseas

On August 5, 1981, the United States, through the CCC, agreed to sell 220 million pounds (100,000 metric tons) of butter to the New Zealand Dairy Board. The butter, to come from CCC uncommitted inventories was sold for $1,550 a metric ton (70.3 cents a pound), loaded at the warehouse. Deliveries are to occur from September 1, 1981, to June 30, 1982. The New Zealand Dairy Board agreed not to sell any U.S. butter to the Soviet Union. The CCC agreed, except for official aid or for estimated welfare uses, not to sell for export any butter until July 1982, unless approved by the New Zealand Dairy Board.

In late August, CCC sold 3,000 metric tons each of butter, cheese, and nonfat dry milk at a nominal $110 a ton (5 cents a pound) to the Catholic Relief Services. The products were for distribution to needy families in Poland.

ITC to Study Casein

The President has directed the International Trade Commission to institute an investigation to determine whether imports of lactalbumin and casein and mixtures of casein materially interfere with the price support program for milk. A public hearing has been scheduled for November 9, 1981, and a determination is due in January 1982. Imports of casein during 1980 totaled 151 million pounds (69,000 metric tons) and were valued at about $175 million.

Table 10--Dairy Products: U.S. imports, quota and non-quota, total 1980, and January-July, 1980-81 1/

Product	Calendar year quota	1980 imports	July 1980	July 1981	July 1981 as a % of 1980	Cumulative, January-July 1980	Cumulative, January-July 1981	1981 as a % of 1981
	- Thousand pounds -				Percent	- Thousand pounds -		Percent
Cheese, quota types								
American-Cheddar	12,205.3	10,710	1,413	813	58	3,081	6,130	199
-Other	7,545.4	7,367	415	264	64	857	1,502	175
Italian-Original loaves	12,374.4	5,998	299	460	154	3,317	3,406	103
-Other	1,550.0	1,059	57	6	11	532	301	57
Edam/and Gouda-Natural	9,208.6	8,572	724	1,150	159	3,704	5,634	152
-Processed	3,151.3	2,019	264	320	121	609	1,204	198
Blue Mold	5,469.6	4,388	329	379	115	1,562	2,264	145
Swiss-Emmenthaler	70,278.1	66,608	5,846	6,444	110	27,026	33,543	124
-Gruyere process	16,479.0	14,060	1,447	1,143	79	6,582	5,993	91
Other-Over 0.5% fat	89,466.8	67,370	3,682	4,009	108	17,298	22,770	132
-Under 0.5% fat	12,621.1	7,194	543	1,502	277	1,368	4,975	364
Total	240,349.6	195,345	15,019	16,490	110	65,934	87,723	133
Cheese, non-quota types								
Other cow's milk cheeses 2/		12,200	626	742	119	6,284	6,203	99
Miscellaneous 3/		905	62	83	134	351	529	151
Pecorino		21,433	1,830	1,180	64	10,824	10,765	99
Roquefort		1,278	57	141	247	750	717	96
Total		35,816	2,574	2,146	83	18,210	18,215	100
Total cheese, Quota and Non-quota	240,349.6	231,161	17,593	18,636	106	84,144	105,938	126
Other quota products								
Butter	707.0	586	50	111	222	271	4/913	337
Butteroil	1,200.0	1,200	---	---	---	1,200	T,200	100
Butterfat mixtures	2,580.0	4/2,676	117	---	5/	1,535	1,204	78
Ice cream	3,377.3	1,174	---	---	---	1,150	---	5/
Frozen cream	12,540.0	9,849	14	1,007	6/	8,159	8,300	102
Nonfat dry milk	1,807.0	4/4,890	802	121	T5	4/4,600	4/1,834	40
Dried buttermilk and whey	496.0	4/498	---	66	6/	179	255	142
Evaporated milk	1,312.0	1	---	389	6/	1	4/2,677	6/
Condensed milk	4,079.0	418	60	48	80	237	278	117
Chocolate crumb-Regular	21,409.0	14,480	1,229	1,705	139	8,545	7,326	86
-Lowfat	4,680.0	1,888	120	---	5/	888	728	82
Animal feed with milk solids	16,300.0	14,487	723	2,573	356	8,220	5,153	63
Non-quota products								
Casein		151,226	16,884	9,977	59	96,189	74,894	78
Lactose		3,044	301	277	92	2,104	1,081	51
Milk equivalent, fat solids basis, total all products	2,234,270	2,106,843	149,915	7/248,821	166	872,285	7/1,120,846	128

1/ Preliminary. 2/ Primarily soft, ripened cheeses. 3/ Gjetost, Bryndza, Gammelost and Noekkelost, and Goya. 4/ Probable error in reported data. 5/ Less than 1. 6/ More than 1,000. 7/ Includes 88 million pounds milk equivalent imports of dry whole milk--a probable error in reported data.

SOURCE: U.S. Department of Commerce, Bureau of the Census.

Table 11.--U.S. Dairy Situation at a Glance

Item	Unit or base period	1979	1980					1981		
		Aug.	June	July	Aug.	Sept.	Year	June	July	Aug.
Production and cow numbers:										
Total milk	Mil. lb.	10,409	11,321	11,036	10,782	10,364	128,425	11,628	11,320	11,065
Milk per cow	Lb.	971	1,048	1,020	995	955	11,875	1,069	1,039	1,014
Number of milk cows	Thou.	10,772	10,800	10,815	10,838	10,849	10,815	10,880	10,898	10,911
Prices received by farmers:										
All milk, sold to plants, 100 pounds	Dol.	12.00	12.50	12.60	12.80	13.20	13.00	13.40	13.40	13.50
Percentage of parity 1/	Pct.	.75	.74	.73	.71	.70	.72	.71	.70	.68
Manufacturing grade milk, 100 pounds	Dol.	11.10	11.70	11.60	11.80	12.20	12.00	12.50	12.40	12.50
Parity equivalent	Dol.	14.18	15.84	16.02	16.19	16.37	16.00	17.98	17.89	17.98
Fat content	Pct.	3.55	3.53	3.49	3.52	3.65	3.67	3.54	3.51	3.52
Minnesota-Wisconsin (3.5% fat), 100 pounds	Dol.	11.09	11.68	11.73	11.86	12.07	11.88	12.59	12.53	12.47
Milk eligible for fluid market, 100 pounds	Dol.	12.20	12.70	12.70	13.00	13.40	13.20	13.60	13.60	13.70
Price ratios and dairy ration values:										
Milk-feed 2/	Lb.	1.51	1.50	1.47	1.42	1.39	1.47	1.36	1.40	1.43
Manufacturing grade milk-hog	Lb.	.31	.35	.28	.26	.26	.32	.26	.25	.25
Manufacturing grade milk-beef	Lb.	.18	.19	.18	.18	.19	.19	.21	.21	.21
Value of concentrate ration fed milk cows	Dol.	---	---	7.10	---	---	7.42	---	8.21	---
Farm cash receipts from dairy products	Mil. dol.	1,230	1,386	1,387	1,385	1,347	16,598	1,547	1,500	N.A.
Production of factory products:										
Butter	Mil. lb.	64.3	93.9	83.7	75.3	77.0	1,145.3	96.6	84.1	N.A.
American cheese, whole milk	Mil. lb.	180.3	227.1	208.3	192.9	179.8	2,374.6	243.6	217.9	N.A.
Cheese, other than American	Mil. lb.	128.7	132.7	124.4	124.6	137.2	1,608.5	142.3	129.2	N.A.
Canned milk, unskimmed	Mil. lb.	67.7	68.9	65.4	57.3	55.9	724.7	69.2	67.8	N.A.
Dry whole milk	Mil. lb.	7.6	7.9	7.2	6.3	6.4	82.7	6.4	7.0	N.A.
Frozen products 3/	Mil. gal.	122.4	116.3	126.4	119.7	104.0	1,167.5	121.0	126.6	N.A.
Creamed cottage cheese	Mil. lb.	73.8	69.1	74.5	70.5	69.9	822.6	66.8	69.1	N.A.
Total whole milk equivalent 4/	Mil. lb.	5,474	6,525	6,196	5,752	5,522	71,689	6,830	6,456	N.A.
Nonfat dry milk, human use	Mil. lb.	79.8	132.5	122.1	104.0	77.3	1,160.7	132.6	120.0	N.A.
Wholesale prices:										
Butter, Grade A, Chicago, pound	Ct.	128.7	139.0	139.3	144.5	145.1	139.3	147.5	147.9	148.0
Cheese, American (40-pound blocks), f.o.b. Wisconsin assembling points, pound	Ct.	128.5	130.9	130.8	132.6	136.9	133.0	138.8	138.6	139.3
Evaporated milk, case	Dol.	17.97	19.83	19.83	19.83	20.01	19.85	21.70	21.70	21.70
Dry whole milk, pound	Ct.	103.3	108.9	110.6	111.2	113.2	110.8	118.1	118.4	N.A.
Nonfat dry milk, pound	Ct.	80.1	88.8	88.9	89.2	89.7	88.7	93.9	93.8	N.A.
Dairy products (BLS)	1967=100	215.2	229.5	230.1	232.6	233.7	230.6	245.6	245.5	245.6
Retail prices (BLS):										
Consumer price index 5/	1967=100	221.1	247.6	247.8	249.4	251.7	246.8	271.3	274.4	N.A.
All food 5/	1967=100	236.3	252.0	254.8	258.7	261.1	254.6	273.6	276.2	N.A.
All dairy products 5/	1967=100	208.6	227.2	228.6	229.7	230.6	227.4	243.8	244.2	N.A.
Fluid milk and cream	12/77=100	117.7	127.1	127.7	127.9	128.0	127.0	134.8	134.9	N.A.
Whole milk	1967=100	192.8	208.6	209.4	209.8	209.7	208.4	220.7	220.7	N.A.
Other	12/77=100	117.4	126.0	126.9	127.1	127.7	126.3	134.6	134.9	N.A.
Manufactured dairy products	12/77=100	118.2	130.4	131.4	132.5	133.6	130.6	142.0	142.5	N.A.
Butter	1967=100	203.0	225.0	226.9	231.2	236.2	228.0	245.1	245.8	N.A.
Cheese	12/77=100	118.4	128.8	130.0	130.4	132.3	129.5	140.5	140.7	N.A.
Frozen desserts	12/77=100	117.8	133.7	134.6	137.0	135.7	132.8	146.4	147.6	N.A.
Other	12/77=100	115.4	127.3	127.5	128.3	128.9	126.4	136.3	136.6	N.A.
Margarine	1967=100	240.3	249.0	247.0	249.3	249.2	249.7	256.1	255.9	N.A.
Stocks, end of month:										
Creamery butter	Mil. lb.	239.1	295.9	308.0	306.4	302.9	---	507.5	514.1	N.A.
Cheese, total 6/	Mil. lb.	558.8	603.1	652.4	669.2	678.1	---	928.7	980.9	N.A.
Canned milk, unskimmed	Mil. lb.	131.9	116.3	128.2	132.4	120.4	---	77.6	82.3	N.A.
Dry whole milk	Mil. lb.	7.2	6.3	6.5	4.5	3.0	---	3.6	3.3	N.A.
Total whole milk equivalent 7/	Mil. lb.	10,487	12,020	12,778	12,904	12,884	---	19,534	20,199	N.A.
Nonfat dry milk	Mil. lb.	560.4	548.4	540.7	582.4	599.4	---	733.1	742.6	N.A.
Commercial disappearance:										
Creamery butter	Mil. lb.	66.2	59.4	73.2	78.8	77.3	878.8	73.7	66.6	N.A.
Cheese, American	Mil. lb.	182.3	156.7	138.0	174.7	158.5	2,023.9	164.6	139.8	N.A.
Cheese, other than American	Mil. lb.	152.3	142.7	138.4	140.0	159.9	1,827.9	151.7	148.5	N.A.
Canned milk, unskimmed	Mil. lb.	69.5	57.9	51.1	51.9	67.0	732.5	56.4	62.0	N.A.
Milk in all products	Mil. lb.	10,479	9,781	10,014	10,608	10,191	119,060	10,261	10,234	N.A.
Nonfat dry milk	Mil. lb.	78.0	33.2	45.4	64.7	76.8	538.9	30.5	61.6	N.A.
USDA net removals:										
Butter	Mil. lb.	*-2.4	44.5	11.6	*-2.7	.7	257.0	31.4	17.7	12.1
Cheddar cheese	Mil. lb.	.3	57.0	62.0	45.3	19.2	349.7	79.5	75.2	33.3
Nonfat dry milk	Mil. lb.	15.0	103.1	96.2	48.5	33.9	634.3	102.4	75.7	70.0
Evaporated milk	Mil. lb.	1.2	1.0	2.4	1.5	1.0	17.5	2.6	1.6	1.5
Total whole milk equivalent	Mil. lb.	*-44	1,483	857	395	206	8,800	1,439	1,113	581
Fluid sales, change from year earlier: 8/										
Whole milk	Pct.	-2.0	-4.4	-3.2	-2.7	-4.2	-3.5	-3.7	N.A.	N.A.
Low-fat and skim milk	Pct.	+4.8	+3.1	+3.4	+4.6	+6.6	+5.3	+1.5	N.A.	N.A.
Total fluid milk	Pct.	+.5	-1.7	-.7	+.3	+.3	-.1	-1.5	N.A.	N.A.
Cream and cream mixtures	Pct.	+.8	+3.1	+3.4	+4.6	+6.6	+2.0	+3.0	N.A.	N.A.

1/ Seasonally adjusted prices as percentage of parity price.
2/ Different series than formerly published.
3/ Ice cream, ice milk, and sherbet.
4/ Includes manufactured products for which current monthly series are available.
5/ For all urban consumers starting January 1978.
6/ Natural, plus process American cheese held by CCC.
7/ Excludes cream and bulk condensed milk.
8/ Daily average sales in Federal and State Marketing areas.
9/ Less than 50,000 pounds.
N.A. Not Available
* Domestic sales exceeded purchases.

AN UPDATE OF STATE MILK CONTROL PROGRAMS

by

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ABSTRACT: The article reports the current status of State milk control pricing programs and discusses the changes that have taken place since 1975. The number of States setting milk prices at the resale level has declined steadily over the past 5 years, while the number involved in producer price fixing has remained fairly stable.

KEY WORDS: Milk pricing, State milk control, price regulation

Over the years, several States have regulated the pricing of milk within their jurisdictions. However, in contrast to the Federal milk order program, which establishes only minimum class prices that dealers must pay producers, many States have regulated the pricing of milk both at the producer and at the wholesale and/or retail level.

State milk control has gone through considerable change in recent years, primarily in resale price regulation. Consumer groups, food retailers, and some milk dealers have succeeded in getting the courts or State Legislatures to invalidate several State programs. As a result, the number of States setting milk prices at the resale level has declined steadily in the past 5 years. By 1981, only seven States were regulating retail milk prices, down from 13 in 1976. Resale price fixing in Maine was seriously challenged this year, but the State is still fixing retail prices under emergency legislation.

On the other hand, the number of States involved in producer price fixing has remained fairly stable since 1976, with only one State—Wyoming—dropping producer price regulation. However, the number of States currently regulating producer prices—16—is still down from 21 in the mid-1960's.

The most recent report describing the extent of milk control programs generally presented the situation as it existed in 1976.[1] That report described governmental programs regulating the pricing of milk, at both the Federal and State level. It also covered State trade practice, regulations, promotion activities, litigation, and legislation. The focus of this article is on the current status of State milk control pricing activities at either the producer, wholesale, or retail level in those States where changes have taken place since 1976. The accompanying tables provide an update of the summary tables included in the 1976 report.

[1]Shaw, C. N., and S. G. Levine, *Government's Role in Pricing Fluid Milk in the United States*, Economics, Statistics, and Cooperatives Servics, U.S. Department of Agriculture, Agricultural Economic Report No. 397, Washington, D.C., March 1978.

Alabama

In 1976, the Alabama Dairy Commission was establishing minimum prices at the producer, wholesale, and retail levels and maximum prices that could be charged at the wholesale and retail. The Commission discontinued setting minimum retail prices in early January 1977 and later in the month it eliminated the setting of both maximum and minimum wholesale prices. While the Alabama Supreme Court in February 1978 reaffirmed the price setting authority of the Commission, minimum price levels were not reinstituted. The Commission continued to set maximum retail prices until May 1979. The Commission is currently involved in establishing prices only at the producer level, although it still retains the authority to set maximum and minimum prices at both the wholesale and retail levels.

California

During 1976, the California Bureau of Milk Stablization was generally involved in setting minimum prices at the producer, wholesale, and retail levels. However, minimum price setting at the wholesale level had been suspended in most of the major marketing areas in the State, and minimum retail pricing had been suspended in one major marketing area. In January 1977, the Bureau suspended retail minimums throughout the entire State and minimum wholesale pricing in the remaining areas where such pricing was still in effect. In January 1978, the authority for the agency to set minimum wholesale and retail prices was repealed. The same legislation that terminated the authority added a new provision that provided temporary emergency pricing authority for minimum wholesale and retail prices for a period of 90 days. The Director of the State's Department of Food and Agriculture has the authority to set such prices after conducting an investigation and public hearing that results in the determination that severe market disruptions would occur in the absence of such control.

At the present time, the Bureau is only involved in establishing minimum prices at the producer level. In 1976, the Class 1 price was specified for each marketing area based upon evidence received at a public hearing. In August 1978, the Bureau adopted an economic formula that is still in use for adjusting Class 1 prices. The weights and factors used in the economic formula are: 43 percent for the cost of production, 42 percent for the California Class 4 price, and 15 percent for net spendable earnings of consumers. Class 1 prices are effective for a 2-month period.

New Jersey

The Division of Dairy Industry was setting minimum producer and retail prices during 1976. While it had the authority to set minimum wholesale prices, the Division was not using such authority. In November 1980, minimum retail pricing was suspended, leaving the State with price setting activity only at the producer level at the present time. However, the Division retains the authority to establish prices at the wholesale and retail level.

South Dakota

The Division of Dairy Marketing in South Dakota was establishing minimum wholesale and retail milk prices in 1976. In early 1978, a bill to eliminate its pricing authority passed the State House of Representatives but was defeated in the Senate. In a November 1978 referendum, the general population voted for the elimination of milk price controls. The authorizing legislation was abolished shortly thereafter. This left South Dakota with no authority for establishing milk prices at any level.

Vermont

In 1976, the Vermont Milk Control Board was setting minimum prices at the producer, wholesale, and retail levels. The Board voted in July 1979 to discontinue wholesale and retail price regulations, and the setting of these prices was discontinued the following month. This brought to a close 46 years of wholesale and retail milk pricing. However, the Board still sets minimum producer prices, and it retains the authority to establish wholesale and retail prices in the event that there is a lessening in the quality of milk.

Wyoming

The Wyoming Board of Agriculture was setting milk prices at the producer and wholesale levels in 1976. After public hearings were held on the issue, the Board voted in November 1980 to terminate the marketing order for the State. As a result of the board's decision, price regulation at the producer and wholesale levels was terminated in January 1981, leaving the state with no milk price regulation.

* * * * * * * * * * * * * * * * *

In addition to those State milk price control programs that have undergone changes in their price-setting operations since 1976, at least one other State program may be facing possible changes.

Maine

The Maine Milk Commission was setting minimum prices at the producer, wholesale, and retail levels in 1976, and generally has continued to operate in that same capacity up to the present. During 1981, various aspects of the Commission's pricing activity have been the subject of judicial review within State courts. In April 1981, a ruling by Maine's Supreme Judicial Court had the result of invalidating the minimum retail milk prices established by the Commission. In June, emergency legislation was passed (over the Governor's veto) giving the Commission authority to set retail prices until January 1982. The Commission is currently devising a retail pricing method that would be acceptable to the courts. At the same time, however, some legislators in the State are leading a petition drive to present the issue of Maine's retail pricing authority in a referendum in November 1982.

Table 1--Number of States controlling producer and resale prices for milk, 1933-81 1/*

Year	Number of States controlling: Resale prices	Producer prices	Year	Number of States controlling: Resale prices	Producer prices
1933	7	9	1958	12	16
1934	13	16	1959	14	15
1935	21	18	1960	13	16
1936	16	20	1961	14	19
1937	18	21	1962	13	19
1938	16	20	1963	14	20
1939	17	20	1964	15	20
1940	17	20	1965	14	21
1941	15	19	1966	15	21
1942	14	16	1967	15	21
1943	14	16	1968	15	19
1944	14	16	1969	15	19
1945	14	16	1970	15	18
1946	14	16	1971	14	18
1947	14	16	1972	14	18
1948	13	16	1973	14	18
1949	12	16	1974	14	18
1950	12	16	1975	14	18
1951	12	16	1976	13	17
1952	12	16	1977	12	17
1953	13	16	1978	11	17
1954	13	17	1979	10	17
1955	12	16	1980	9	17
1956	11	16	1981	7	16
1957	11	16			

1/ Excludes Puerto Rico, which has had producer and resale price control since 1957.

*Revises Table 1 of Shaw, C. N., and Levine, S. G., Government's Role in Pricing Fluid Milk in the United States, Economics, Statistics, and Cooperatives Service, U.S. Department of Agriculture, Agricultural Economic Report No. 397, Washington, D.C., March 1978, page 2.

Table 2--States regulating milk prices and trade practices and authorizing milk promotion, September 1981*

State	Minimum prices established at:			Trade practice regulations	Milk promotion
	Producer level	Wholesale level	Retail level		
Alabama	x	1/ 2/ -	1/ 2/ -	-	-
Arkansas	-	-	-	x	-
California	x	4/ _	4/ -	x	x
Colorado	-	-	-	x	x
Connecticut	-	-	-	x	x
Georgia	-	-	-	-	x
Hawaii	x	-	-	-	x
Idaho	-	-	-	x	x
Iowa	-	-	-	x	x
Kansas	-	-	-	x	-
Kentucky	-	-	-	x	x
Louisiana	1/ -	-	-	x	x
Maine	x	x	x	x	x
Massachusetts	x	1/ -	1/ -	x	-
Minnesota	-	-	-	x	x
Missouri	-	-	-	x	-
Montana	x	x	x	x	-
Nevada	x	1/ -	x	x	-
New Hampshire	-	-	-	-	x
New Jersey	x	1/ -	1/ -	x	1/ -
New York	x	-	-	x	x
North Carolina	x	1/ 2/ -	1/ 2/ -	x	x
North Dakota	x	2/ x	2/ x	x	x
Oklahoma	-	-	-	x	-
Oregon	x	-	-	-	x
Pennsylvania	x	x	x	-	1/ -
South Carolina	x	x	1/ -	x	-
South Dakota	-	-	-	-	x
Texas	-	-	-	-	x
Tennessee	-	-	-	x	-
Utah	-	-	-	-	x
Vermont	x	1/ 2/ -	1/ 2/ -	x	x
Virginia	x	3/ x	3/ 4/ -	x	-
Washington	-	-	-	-	x
West Virginia	-	-	-	-	x
Wisconsin	-	-	-	x	x
Puerto Rico	x	3/ -	3/ -	x	x

x = yes; - = no. 1/ Authorized but not used. 2/ Maximum pricing authorized but not used. 3/ Establishes maximum prices. 4/ Authorized only in the event of price disruption.

*Revises Table 5 of Shaw, C. N., and Levine, S. G., Government's Role in Pricing Fluid Milk in the United States, Economics, Statistics, and Cooperatives Service, U.S. Department of Agriculture, Agricultural Economic Report No. 397, Washington, D.C., March 1978, page 13.

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